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## CARDIN, MCGOVERN INTRODUCE BILLS CREATING CONSEQUENCES FOR CORRUPTION

*Bill would freeze assets, ban visas for individuals with hand in death of anti-corruption lawyer*

WASHINGTON—**U.S. Senator Benjamin L. Cardin** (D-MD), Chairman of the Commission on Security and Cooperation in Europe (Helsinki Commission), and **U.S. Representative James P. McGovern** (D-MA), Chairman of the Tom Lantos Human Rights Commission, today introduced bills that would freeze assets of and block visas to individuals responsible for the 2009 death of Russian anti-corruption lawyer Sergei Magnitsky and a related \$234 million tax fraud scheme.

Magnitsky died after suffering torturous conditions in pre-trial detention, being repeatedly denied medical treatment. He had exposed the massive fraud and accused Russian officials of stealing the millions of tax dollars paid by his client, Hermitage Capital Management.

“Nearly a year after Sergei’s death, the leading figures in this scheme remain in power in Russia. It has become clear that if we expect any measure of justice in this case, we must act in the United States,” said Chairman **Cardin**, who first called in April for a [visa ban](#) for the 60 Russian officials responsible for the tax fraud and Magnitsky’s death. “At the least we can and should block these corrupt individuals from traveling and investing their ill-gotten money in our country.”

Chairman **McGovern** said: “I have introduced the ‘Justice for Sergei Magnitsky Act of 2010’ in the House of Representatives as a direct consequence of the compelling testimony at a hearing on human rights in the Russian Federation in the Tom Lantos Human Rights Commission. The death of this courageous whistleblower in a Russian prison is the consequence of an abysmal prison system and corruption aimed at defrauding the Russian Treasury of billions. We know about Sergei Magnitsky, and we know about Mikhail Khodorkovsky, but how many more Magnitskys and Khodorkovskys are currently suffering in Russian prisons? My bill addresses the root causes of these severe human rights violations -- the Russian prison system and official corruption. We should not rest until justice is achieved in Sergei’s case, and the money is returned to its rightful owners -- the people of the Russian Federation.”

Hermitage Capital Management CEO Bill Browder testified before both chairmen at separate hearings related to Russian corruption and its chilling impact on successful investors in 2009 and 2010.

"Corrupt officials in the Russian law enforcement agencies are circling the wagons to protect their own from facing justice for the torture and murder of Sergei Magnitsky," said **William Browder**, CEO of Hermitage Capital Management. "Today, the only way to get justice for Sergei is outside of Russia. The strong moral stand that the US Senate and Congress are taking will give other countries the confidence to follow."

The Moscow Prison Oversight Commission found the conditions under which Magnitsky suffered to be "torturous." Despite calls by Russian President Medvedev for "zero tolerance of corruption" and justice to be served for those responsible in this case, no such action has been seen, leading Moscow human rights organizations and other concerned about corruption to look abroad to keep attention on the case.

"We believe that it is extremely important for the public climate in our country that the United States and other democratic countries punish those people whom our authorities do not want to punish for their crimes," said leading human rights defender **Lyudmila Alekseeva**, Chair of the Moscow Helsinki Group.

The legislation calls on the U.S. Secretaries of State and Treasury to lift the sanctions only after Russia conducts a thorough and impartial investigation in Magnitsky's case and brings those responsible to justice, brings its criminal justice system and penal system into compliance with international standards, strengthens whistleblower protection, and recognizes the contribution of Sergei Magnitsky in the fight against corruption and for the rule of law.

A complete bill summary follows this release.

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*The Commission on Security and Cooperation in Europe, also known as the U.S. Helsinki Commission, is an independent agency of the Federal Government charged with monitoring compliance with the Helsinki Accords and advancing comprehensive security through promotion of human rights, democracy, and economic, environmental and military cooperation in 56 countries. The Commission consists of nine members from the U.S. Senate, nine from the House of Representatives, and one member each from the Departments of State, Defense, and Commerce.*

## Summary of the “Justice for Sergei Magnitsky Act”

*Senator Benjamin L. Cardin || Rep. Jim McGovern*

**Overview:** This bill would bar all individuals connected to the 2009 death of Sergei Magnitsky from receiving U.S. visas and accessing U.S. financial markets.

Magnitsky, a Russian anti-corruption lawyer, died after suffering torturous conditions in pre-trial detention, after repeatedly being denied medical treatment. He had exposed a \$230 million tax fraud scheme and accused Russian officials of stealing the millions of tax dollars paid by his client, Hermitage Capital.

**Visa Ban:** No U.S. visas are to be issued to:

- Individuals who were engaged in any act that was instrumental in causing Sergei Magnitsky’s death
- Individuals who conspired to commit tax fraud against the Russian Federation through a scheme targeting Hermitage
- Spouses, sons, daughters or parents of the same individuals

### Financial

**Sanctions:** The Secretary of Treasury shall freeze and prohibit all transactions of property or investments in United States financial institutions by individuals connected to Magnitsky’s death or the tax fraud scheme.

**Waivers:** The Secretaries of State and Treasury can waive the visa ban and asset freeze for U.S. national interest

- The Secretaries shall notify Congress and explain any such a waiver.

**Termination:** This act is lifted when the Secretaries of State and Treasury certify to Congress that the Russian Federation has:

- Conducted a thorough and impartial investigation in Magnitsky’s case and brought those responsible to justice;
- Taken steps to bring their criminal justice system and penal system into compliance with international standards;
- Strengthened statutory whistleblower protection;
- Recognized the contribution of Sergei Magnitsky in the fight against corruption and for the rule of law.

**Penalty:** \$50,000 under the International Emergency Economic Powers

**Reporting:** Within 180 days of enactment, the Secretaries of State and Treasury shall report to Congress on actions taken to carry out this Act.

**Start Date:** The act takes effect starting 90 days after the act is signed into law.

